

Appendix G Summary  
of 75<sup>th</sup> Texas  
Legislature Activity  
related to the Texas  
State Health Plan 1997-  
1998 Update on  
Managed Care

## Legislative Items Filed Pertinent to State Health Plan Recommendations

State Health Plan Recommendations	Laws Passed Relevant to the SHP from the Texas 75th Legislature.	Bills Relevant to the SHP that Failed to Become Law
<p><b>A.1.1</b> Offer all Texans the opportunity to subscribe to some type of health care.</p>	<p><b><u>HB 3</u></b> Relating to establishing the Healthy Kids Corp. (Berlanga, et al.).</p> <p><b>HB 710</b> Relating to welfare reforms and the Texas Health Ins. Risk Pool (Averitt).</p> <p><b>HB 839</b> Relating to provision of life and health benefits plans to victims of domestic violence (Driver).</p> <p><b>HB 864</b> Relating to coverage of health benefits for certain students (McCall).</p> <p><b>SB 1246</b> Relating to establishment of the statewide rural community health system to provide health care services pursuant to Texas Insurance Code (Madla).</p>	<p><b>HB 1675</b> Relating to discrimination against victims of family violence by health plan providers (Burnam).</p> <p><b>HB 1679</b> Relating to requirements for certain health insurance benefits in adoption cases (Van de Putte).</p> <p><b>HB 1713</b> Relating to discrimination against victims of family violence in the issuance of insurance (Davila).</p> <p><b>HB 3267</b> Relating to exceptions to mandated requirements for health plans covering only children under 18 (Wohlgemuth).</p> <p><b>SB 53</b> Relating to coverage for newborns and adopted children (Shapiro).</p> <p><b><u>SB 585</u></b> Relating to the coverage of adopted children (Nelson).</p> <p><b><u>SB 1841</u></b> Relating to court orders for medical child support to provide health insurance for children (Harris).</p>
<p><b>A.1.2</b> Recommend the continued study of managed care as a clinical and financial model for health care coverage for underinsured and uninsured Texans.</p>	<p><b><u>SB 172</u></b> Relating to coverage for childhood immunization under certain health benefit plans (Zaffirini).</p> <p><b>SB 1163</b> Relating to information and training about Medicaid managed care (Zaffirini).</p> <p><b>SB 1164</b> Relating to Medicaid managed care contract compliance (Zaffirini).</p> <p><b>SB 1165</b> Relating to Medicaid managed care for children with special health care needs (Zaffirin).</p> <p><b>SB 1574</b> Relating to the implementation of waiver 1115 to design a health care delivery system for the Medicaid program (Madla).</p>	<p><b>HB 317</b> Relating to eligibility of certain persons for state subsidized health care services (Madden).</p> <p><b><u>HB 530</u></b> Relating to coverage for childhood immunizations under health benefit plans (Stiles).</p> <p><b>HB 1368</b> Relating to eligibility of publicly funded health care services (Madden).</p> <p><b>HB 1500</b> Relating to eligibility for indigent health care (Wohlgemuth).</p> <p><b>HB 3420</b> Relating to copayments for prescription drugs by HMOs (Luna).</p> <p><b>SB 775</b> Relating to eligibility for public assistance benefits administered by health &amp; human services agencies (Nixon).</p> <p><b>SR 136</b> Relating to requirements for the state to develop information and quality systems to support Medicaid managed care programs (Harris).</p>
<p><b>A.1.3</b> Continue to support the enactment of legislation which provides for the coverage of pre-existing conditions and portability of health insurance.</p>	<p><b><u>HB 1212</u></b> Relating to the portability &amp; availability &amp; the implementation of reforms relating to health insurance (Averitt).</p>	<p><b><u>SB 585</u></b> Relating to the coverage of adopted children with pre-existing conditions (Nelson).</p> <p><b>Comment:</b> The major provisions of SB 585 will be implemented under TDI's rulemaking authority. Major aspects of SB 585 are also found in HB 180 &amp; HB 102 both of which are now law.</p>

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<p><b>A.1.4</b> Mental health benefits shall be offered in managed care plans to include but not be limited to programs for prevention and treatment of conditions related to chemical dependency and addiction.</p>	<p><b>HB1173</b> Relating to coverage by certain health benefit plans for certain serious mental illnesses. This law requires group health benefit plans to provide in each calendar year: 45 days of inpatient treatment, 60 visits for outpatient treatment. The plan may not include a lifetime limit on the number of days of inpatient treatment or the number of outpatient visits. The plan must include the same amount limits, deductibles, and coinsurance factors for serious mental illness as for physical illness. The law specifically states that it does <i>not</i> require plans to provide coverage for treatment of addiction to a controlled substance or mental illness resulting from the use of a controlled substance. (Ellis)</p>	<p><b>HB 1371</b> Relating to coverage for mental health benefits by managed care plans (Naishtat).  <b>HB 1459</b> Relating to delivery and funding of mental health services through networks established by community centers (Coleman).  <b>HB 1679</b> Relating to requirements for certain health insurance benefits (Van de Putte).  <b>HB 2774</b> Relating to coverage by health plans for children with serious emotional disturbances (Coleman).  <b>SB 276</b> Relating to the delivery and funding of certain mental health, chemical dependency and mental retardation services through networks (Patterson).  <b>SB 277</b> Relating to provision of mental health and substance abuse services through HMOs (Patterson).  <b>SB 585</b> Relating to provision of mental health benefits in parity with medical surgical benefits (Nelson).  <u><b>SB 809</b> Relating to certain health benefit plans for serious mental illness (Ellis, et al.)</u></p>
<p><b>A.1.5</b> Genetic services, including genetic evaluation, laboratory testing, diagnosis and treatment shall be offered in managed care plans, when recommended by an enrollee's primary care provider.</p>	<p><b>HB 39</b> Addresses genetic testings from a protective perspective, instituting penalties for violating the confidentiality of testing results. (McCall, et al.)</p> <p><b>Comment:</b> No bills filed during the 75th session addressed the inclusion of genetic services in MCOs benefit package.</p>	

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<p><b>A.1.6</b> Managed Care Organizations (MCOs) shall be required to provide the Texas Dept. of Insurance (TDI) with an analysis of how their benefits package impacts special populations such as persons with disabilities and the elderly. MCOs shall be required to make good faith efforts to minimize adverse effects of their benefit limitations on special populations.</p>	<p><b>HB 1865</b> Relating to payment for accelerated life insurance benefits (Maxey).  <b>SB 788</b> Relating to the filing of annual reports of community hospital benefits plans by nonprofit hospitals (Zaffirini).  <b>SB 1165</b> Relating to Medicaid managed care for children with special health care needs (Zaffirini).</p>	<p><b>HB 317</b> Relating to eligibility of certain persons for state subsidized health care services (Madden).  <b>HB 417</b> Relating to the filing of annual reports of community benefits plans by nonprofit hospitals (Maxey).  <b>HB 1685</b> Relating to certain disclosures to the public by HMOs (Burnam).  <b>SB 976</b> Relating to MCO plans under Medicare risk-sharing contracts (Madla).</p>
<p><b>A.2.1</b> MCOs are urged to include properly educated, licensed and credentialed physician and non-physician health care providers and alternate health care settings in their plan, as both appropriate and cost effective means to ensure timely access and choice for enrollees.</p>	<p><b>HB 2017</b> Relating to telemedicine services under the Medicaid and Medicare programs (Maxey).  <b>HB 2033</b> Relating to coverage for telemedicine consultations (Gray).  <b>HB 2386</b> Relating to Medicaid payment for certain telemedicine consultations in rural areas (Delisi).  <u><b>HB 2846</b> Relating to advanced practice nurses and physician assistants in collaborative practice with a physician (Berlanga).</u>  <b>HB 3269</b> Relating to use of non-network and non-PCP physicians to provide services of HMOs (Berlanga).  <b>SB 1651</b> Relating to the inclusion of occupational and physical therapists as providers of health care services in insurance policies (Cain).</p>	<p><b>HB 609</b> Relating to the freedom of an insured individual to choose a doctor (Janek).  <b>HB 893</b> Relating to providing fairness and choice to patients and providers under MCO health benefit plans (Smithee).  <b>HB 1244</b> Relating to the fairness and choice to certain patients and providers under (dental) managed care plans (Berlanga).  <b>HB 1819</b> Relating to coverage under certain health care plans for massage therapy (Holzheuser).  <b>HB 1831</b> Relating to certain information regarding use of physician assistants for services; rights of enrollees to know (Jones,J.).  <b>HB 2216</b> Relating to impact reporting and regulation of licensed health care providers (Maxey).  <b>SB 464</b> Relating to fairness and choice to certain patients and providers under MCO plans (Harris).  <u><b>SB 1244</b> Relating to the practice of advanced practice nurses and physician assistants in collaborative practice with a physician (Madla).</u></p>

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<p><b>A.3.1</b> Identify and assure funding sources for health professional education, research and uncompensated care.</p>	<p><b><u>HB 1511</u></b> Relating to the allocation of Medicaid funds to pay for graduate medical education (Berlanga).  <b>HB 2192</b> Relating to the establishment of a physician recruitment program for medically underserved areas (Rangel).  <b>HB 2626</b> Relating to creation of a preceptorship program in public health settings (Delisi).  <b>SB 403</b> Relating to funding of the Medicaid DSH program through an assessment imposed against certain hospitals and hospital districts (Zaffirini).  <b>SB 1241</b> Relating to the Faculty Enhancement Fund (Zaffirini).</p>	<p><b>HB 417</b> Relating to required reporting by nonprofit groups for charity care (Maxey).  <b>HB 2613</b> Relating to the Faculty Enhancement Fund (Cuellar).  <b><u>HCR 64</u></b> Directing the medical branches of the Texas State universities to study a pilot program to create public health fellowships for physicians (Delisi).  <b>SB 56</b> Relating to eligibility for state matching funds assistance under the indigent health care law (Zaffirini).</p>
<p><b>A.3.2</b> Encourage MCOs to provide learning opportunities for students and trainees in all health care professions.</p>	<p><b>Comment:</b> No legislation was enacted this legislative session addressing this recommendation.</p>	
<p><b>A.4.1</b> Assure funding for regional trauma centers and public health activities.</p>	<p><b>HB 1668</b> Relating to the fees imposed to fund 911 and regional poison control centers and to the oversight of the collection and use of those fees (Junell).  <b><u>SB 102</u></b> This bill relates to the creation and use of an emergency medical services and trauma care system fund composed of money appropriated to the credit of the fund. (Zaffirini).  <b>SB 388</b> Relating to the provision of Texas Poison Center Network Services to other jurisdictions. Poison control centers may provide services for regions served by other poison control centers in this state as necessary to maximize efficient use of resources and provide appropriate services in each region. (Whitmire)</p>	<p><b><u>HB 890</u></b> Relating to the creation and use of emergency medical services &amp; trauma care system fund (Kamel).</p>

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<b>B.1.1</b> Enrollees and purchasers must be provided with clear, culturally competent and linguistically appropriate information including marketing materials and beneficiary entitlement. State regulations should require that MCOs provide appropriate, standardized scope of benefits to potential enrollees.	<u><b>SB 385</b> Relating to regulation of HMOs (Sibley, et al.).</u> <b>SB 1163</b> Relating to information and training about Medicaid managed care (Zaffirini).	<u><b>HB 2058</b> Relating to certification, operation, powers, and duties of integrated health plans (Delisi).</u> <u><b>HB 2163</b> Relating to information provided to enrollees in MCOs (Naishtat).</u> <b>SB 147</b> Relating to the definition of emergency care for health insurance policies and benefit plans provided by HMOs (Shapiro). <b>SB 976</b> Relating to MCOs under Medicare risk-sharing contracts (Madla). <u><b>SB 1052</b> Relating to the certification, operation, powers and duties of integrated health plans (Harris).</u> <b>SR 136</b> Relating to requirements for the state to develop information and quality systems to support Medicaid managed care programs (Harris).
<b>B.1.2</b> MCOs must provide a standardized disclosure statement at both the solicitation and enrollment stages which outlines coverage, rights of appeal, and complaints process.	<u><b>SB 383</b> Relating to the regulation of PPO plans (Cain, et al.).</u> <u><b>SB 385</b> Relating to regulation of HMOs (Sibley, et al.).</u>	<b>HB 894</b> Relating to the regulation of HMOs (Smithee). <u><b>HB 1101</b> Relating to the regulation of PPO plans (Smithee).</u>
<b>B.2.1</b> Enrollee complaint procedures must be clear and readily available.	<b>HB 1212</b> relating to health insurance portability. (Averitt) <b>HB 3629</b> relating to requirements for evidence of coverage issued by HMOs. (Berlanga) <b>SB 382</b> relating to the regulation of HMOs. (Madla, et al.) <b>SB 385</b> relating to the regulation of HMOs. (Sibley, et al.) <b>SB 386</b> relating to review of and liability for certain health care treatment decisions. (Sibley, et al.)	<b>HB 894</b> Relating to the regulation of HMOs (Smithee). <u><b>HB 1101</b> Relating to the regulation of PPO plans (Smithee).</u> <b>HB 3188</b> Relating to the provider's participation on behalf of an enrollee in appeal of determination (Davila). <u><b>SB 383</b> Relating to the regulation of PPO plans (Cain, et al.).</u> <u><b>SB 385</b> Relating to regulation of HMOs (Sibley, et al.).</u>
<b>B.2.2</b> Provider complaint procedures must be clear and readily available.	<u><b>SB 383</b> Relating to the regulation of PPO plans (Cain, et al.).</u> <u><b>SB 385</b> Relating to regulation of HMOs (Sibley, et al.).</u>	<b>HB 894</b> Relating to the regulation of HMOs (Smithee). <u><b>HB 900</b> Relating to requirements for HMOs to provide written explanations of termination of contracts with health care providers or certain physicians (Mowery).</u> <u><b>HB 1101</b> Relating to the regulation of PPO plans (Smithee).</u>

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<b>B.3.1</b> MCOs should not prohibit health care providers from discussing all treatment options and financial implications with patients.	<b>HB 812</b> Relating to contracts between HMOs and providers (Janek).	<b>HB 82</b> Relating to prohibition on restrictions on the performance of health care services (Longoria). <u><b>HB 3188</b> Relating to the relationship of physicians and providers to enrollees in MCO plans (Davila).</u>
<b>B.3.2</b> Encourage MCOs to provide point-of-service options, subject to additional charges.	<b>SB 385</b> Relating to the regulation of HMOs. This law requires most HMOs to offer a <i>dental</i> point-of-service option. The law allows employers to charge employees an additional fee for this option. (Smithee)	<b>HB 893</b> Relating to providing fairness and choice to patients and providers under MCO health and dental benefit plans [inclusive](Smithee). <b>HB 1244</b> Relating to the fairness and choice to certain patients and providers under managed care plans [inclusive] (Berlanga). <b>SB 464</b> Relating to providing fairness and choice to patients and providers under MCO health and dental benefit plans (Harris).
<b>C.1.1</b> Medical care decisions shall be made by a licensed provider based on clinical considerations and patient needs. MCOs shall share liability, if any, when they administratively limit or direct treatments.	<b>HB 349</b> Relating to minimum inpatient stays for surgery for treatment of breast cancer (Hamric). <b>HB 2063</b> Relating to the coverage of TMJ by MCO plans (Van de Putte). <b>SB 217</b> Relating to coverage for reconstructive surgery incident to mastectomy (Zaffirini). <b>SB 386</b> Relating to health care liability claims (Sibley, et al.)	<b>HB 262</b> Relating to coverage for reconstructive surgery incident to mastectomy (Van de Putte). <b>HB 831</b> Relating to minimum coverage for inpatient stays for mastectomy (Gray). <b>HB 1102</b> Relating to liability of MCOs for influence or control of decisions impacting diagnosis, care or treatment (Smithee). <b>HB 1804</b> Relating to coverage under health care plans for infertility (Greenberg). <b>HB 2034</b> Relating to medically necessary care under insurance laws (Gray). <b>HB 3123</b> Relating to coverage of experimental treatments by MCOs (Davila). <b>HB 3310</b> Relating to requiring health benefit plans to cover dental work for children with cleft palate (Hilbert).

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<p><b>C.1.2</b> Decisions regarding referrals by the MCOs must be made by professionally trained individuals; enrollees must have an option to appeal specialist referral rejections.</p>	<p><b>SB 384</b> Relating to adverse determinations and appeals in health benefit plans (Nelson, et al.).  <b>SB 54</b> Relating to access to ob/gyn without referral from PCP (Shapiro).  <u><b>SB 585</b> Relating to requirements for certain health insurance benefits.</u> (Nelson, et al.)</p>	<p><b>HB 180</b> Relating to use of ob/gyn as primary care in health plans (Gray).  <b>HB 261</b> Relating to access to ob/gyn care in health plans (Van de Putte).  <b>HB 2713</b> Relating to the creation of a system of independent review for adverse medical determinations (Oliveira).  <u><b>HB 3188</b> Relating to appeal by a provider of a determination on behalf of an enrollee (Davila).</u>  <b>SB 39</b> Relating to direct access to ob/gyn for primary care (Nelson).  <u>certain health insurance benefits (ob/gyn, maternity) (Nelson).</u>  <b>SB 1813</b> Relating to creation of a system of independent review for adverse medical determinations (Duncan).</p>
<p><b>C.1.3</b> Clinical guidelines which have been peer developed and peer approved will be used in making decisions regarding patient treatment and referral.</p>	<p><b>SB 384</b> Relating to utilization review under health benefit plans and health insurance policies (Nelson, et al.)</p>	<p><b>HB 1100</b> Relating to utilization review in health plans and insurance policies (Smithee).</p>
<p><b>C.1.4</b> State regulations must be enforced to ensure that health care services are consistently provided by MCOs throughout their entire service delivery area.</p>		<p><b>HB 2216</b> Relating to an impact reporting requirement for licensing or changing scope of practice of providers (Maxey).</p>
<p><b>C.1.5</b> Health maintenance, including prevention and wellness information and services, must be included as a component for all MCO plans and based upon industry guidelines.</p>	<p><b>SB 162</b> Relating to prevention and treatment of diabetes (Barrientos, Ellis).  <b>SB 385</b> relating to the regulation of HMOs expanded the definition of “health” to include prevention. (Sibley, et al.)</p>	<p><b>HB 354</b> Relating to prevention and treatment of diabetes (Raymond).  <b>HB 2093</b> Relating to coverage for tests to detect prostate cancer under certain health plans (McCall).  <b>HB 3187</b> Relating to benefits for the detection &amp; prevention of osteoporosis under health plans (Davila).</p>



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<b>C.2.1</b> Require state agencies that collect health care data to coordinate, report, publish, analyze, and disseminate health care information.	<b>HB 1716</b> gives the SHCC increased responsibilities relating to collecting and disseminating data regarding health professions. (Maxey)  <b>Comment:</b> The Texas Health Care Information Council has been given health care data collection and dissemination responsibilities that will begin to be available within the next several years.	
<b>C.2.2</b> Require MCOs to conduct standard, annual enrollee satisfaction surveys and make the results readily available to consumers upon request.	<b>SB 385</b> , mandates the public insurance counsel to develop a system to compare and evaluate the performance of HMOs in the state in a report card format for the benefit of the public. (Sibley, et al.)	<b>HB 1099</b> Relating to the creation of a consumer report card on MCOs by the TDI public counsel and advisory committee (Smithee). <b>SB 387</b> Relating to the development of a performance rating system by the office of public insurance counsel (Harris, et al.)
<b>C.2.3</b> Require MCOs to compile and report complaint and appeal statistics to one legislatively designated entity.		<b>SB 387</b> Relating to the development of a performance rating system by the office of public insurance counsel (Harris, et al.)
<b>C.2.4</b> Continue to support current law requiring MCOs to have Quality Improvement Programs to identify and ensure high-quality care for all enrollees.		<b>HB 2058</b> Relating to certification, operation, powers and duties of integrated health plans (Delisi). <b>SB 1052</b> Relating to the certification , operation, powers and duties of integrated health plans (Harris). <b>SR 136</b> Relating to requirements for the state to develop information and quality systems to support Medicaid managed care programs (Harris).
<b>C.2.5</b> Require each MCO to create an advisory committee to address quality of care, access, and enrollee satisfaction issues.	<b>SB 385</b> covers this recommendation. (Sibley, et al.)	<b>HB 1099</b> Relating to the creation of a consumer report card on MCOs by the TDI public counsel and advisory committee to set a rating system. (Smithee). <b>SB 387</b> Relating to the development of a performance rating system by the office of public insurance counsel (Harris, et al.) <b>SB 413</b> Relating to requiring the HHSC Commissioner to utilize advisory committees to assist in the development of Medicaid policies, procedures and programs (Moncrief).

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<p><b>C.2.6</b> Require each MCO to establish an immediate eligibility and benefits verification system between the MCO and its providers, while assuring patient confidentiality.</p>	<p><b>SB 385</b> covers this recommendation. (Sibley, et al.)</p>	
<p><b>C.2.7</b> The Council recommends that the Texas Legislature ensure that public health is provided throughout the state as managed care grows and other health care changes occur.</p>	<p><b>HCR 44</b> calls for TDH, UT School of Public Health, Texas A&amp;M School of Rural Public Health and Blackland Research Center, LBJ School of Public Affairs to study the role of local gov't in providing public health services and make recommendations to the 76th legislature. (Delisi)</p>	